



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

**FISCAL YEAR 2015
CHILD AND ADULT CARE FOOD PROGRAM
FAMILY DAY CARE HOME SPONSOR MEMORANDUM #38**

TO: Family Day Care Home Sponsors

FROM: Marla J. Moss, Director
Office of School Support Services

DATE: August 18, 2015

SUBJECT: Recordkeeping Requirements for Family Day Care Home Providers

According to federal regulations at 226.10(d) and 226.18(d), (e), and (g), records at family day care homes must be retained for three years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the end of the three year period as long as may be required for the resolution of the issues raised by the audit. Although sponsors must require providers to submit records of menus, meal counts and enrollment, it is also important that copies of these records be maintained at the provider's facility in accordance with 226.18(e), which states that each day care home must maintain on file documentation of each child's enrollment, and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children.

While sponsors may keep duplicate records, maintaining records on site at the day care home ensures that records are available for review when a monitor or auditor arrives at the home. Records that are kept at the provider's home also afford Michigan Department of Education (MDE) an audit trail and the ability to confirm the accuracy of the records at both locations. In addition, maintaining records at the day care home instills an internal control whereby the provider is assured that reimbursements are accurate, and that no errors have occurred in the payment process.

Providers must have one hand, for immediate review, all records that support their program activities for the current month, as well as, the previous twelve months of operation. Records should include documentation of attendance, enrollment,

STATE BOARD OF EDUCATION

JOHN C. AUSTIN – PRESIDENT • CASANDRA E. ULBRICH – VICE PRESIDENT
MICHELLE FECTEAU – SECRETARY • PAMELA PUGH – TREASURER
LUPE RAMOS-MONTIGNY – NASBE DELEGATE • KATHLEEN N. STRAUS
EILEEN LAPPIN WEISER • RICHARD ZEILE

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324

Family Day Care Home Sponsor Memo #38
Page 2

meal counts, and menus. Providers may store the remaining two years of records offsite; however, they must still be in the control of the provider and accessible within a reasonable amount of time. If no offsite storage is used, providers must retain three years of records onsite at the day care home. Records can be kept in hard copy or electronic format, provided that they are readily available to reviewers. Sponsors and providers must be aware that failure to maintain such records shall be grounds for the denial of reimbursement.

The same principle applies to the retention of records relating to institutions, responsible principals or individuals, and family day care homes that have been placed on the Child and Adult Care Food Program's (CACFP) National Disqualified List (NDL). These records are considered to pertain to the entire period that an individual or institution remains on the NDL, since the documentation supporting the disqualification must be available to respond to any challenge to the institution's or individual's inclusion on the NDL, or to a request for removal from the NDL. Therefore, consistent with the requirements at § 226.10(d) concerning the retention of claims-related records, the state agency (SA) or institution must retain records relating to the disqualification for three years after the institution, responsible principal or individual, or family day care home is removed from the NDL.

This memorandum also clarifies record retention requirements relating to an institution or family day care home that is declared seriously deficient, or a principal or individual who has been identified as responsible for a serious deficiency, when the serious deficiency is corrected before disqualification. Records relating to any serious deficiency must be retained by the SA or sponsoring organization for three years after the SA and Food and Nutrition Service (for institutions or responsible principals or individuals) or sponsoring organization (for family day care homes) accepts the corrective action. This timeframe will permit the SA (or the sponsoring organization, in the case of a family day care home) to conduct one or more follow-up reviews to ensure that the institution or home has fully and permanently corrected the serious deficiency, and will provide the necessary documentation for a proposed termination if it is found that the corrective action has not been permanently implemented.

For questions regarding this memorandum, contact the Child and Adult Care Food Program at 517-373-7391.